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TAGS: [ECON](#) [EFIN](#) [SENV](#) [ENRG](#) [KMCA](#) [PGOV](#) [PREL](#) [MCC](#) [ID](#)
SUBJECT: DISCUSSING NOVEMBER 15 SUMMIT WITH PRESIDENT
YUDHOYONO

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¶1. (SBU) SUMMARY: President Yudhoyono (SBY) wants Indonesia to be part of the solution at the upcoming Summit on Financial Markets and the World Economy. At SBY's request, Ambassador Hume briefed him on summit preparations in a meeting on November 5. SBY welcomed the G-20 Leaders format and stressed his commitment to working together to stabilize capital markets and restore confidence. He wants to keep the real economy moving by maintaining open markets and promoting regional and global trade and investment. He noted leaders must consider changes to the existing financial architecture to help prevent the recurrence of another serious financial crisis. SBY also welcomed Ambassador's delivery of Indonesia's Millennium Challenge Corporation 2009 Scorecard. He conveyed his congratulations to the American people on the election, remarking on the many lessons he had learned from American democracy and his hope Indonesian people would learn lessons on unity from the U.S. elections. SBY and Ambassador Hume discussed environmental-related opportunities for SBY's upcoming trip to Washington. Regarding difficulties encountered by ExxonMobil in Indonesia, SBY said he would task Minister of Energy and Mineral Resources Purnomo Yusgiantoro to meet with the President of ExxonMobil. END SUMMARY.

SBY ENGAGED AND FOCUSED ON FINANCIAL MARKETS SUMMIT
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¶2. (SBU) On November 5, at President Yudhoyono's request, Ambassador Hume briefed on summit preparations and objectives. Ambassador Hume said he was pleased the summit included the G-20 group given the global impact of current financial markets volatility. Indonesia's inclusion in the summit is a testament to the transformation it has achieved in the past decade, both of its system of government and of its economy. Ten years ago, the world viewed Indonesia through the lens of the famous image of IMF Managing Director Camdessus standing over former President Soeharto as he agreed to an IMF bailout of a collapsed economy. Today, Indonesia is a democratic country showing real leadership and taking serious decisions in tackling the challenges posed by the current crisis. It is a reflection of a changed reality

that Indonesia will now take a seat at the table of global leaders gathering to address the causes of the current global economic crisis, actions taken in response and core principles for reform. Indonesia has become a full partner in this process, which is a tribute to the changes the Indonesian people have worked so hard to achieve.

13. (SBU) Members of the G-20, including Indonesia, would be well placed to address how the crisis is affecting developing countries, including on issues such as trade finance. Ambassador Hume said the summit was an opportunity for leaders to reiterate their commitments to open markets, acknowledge the critical roles of international financial institutions (IFIs) in assisting affected countries, and reaffirm development assistance commitments. He noted leaders would task Finance Ministers and IFIs with developing recommendations for further action, and that there were no current plans for bilateral meetings on the margins of the summit.

14. (SBU) SBY said the summit objectives were right and welcomed the G-20 leaders format. SBY said participation of both developed and developing countries was important and Indonesia is committed to being part of the solution to the current financial markets crisis. President Yudhoyono expressed appreciation that summit timing facilitated his APEC Summit participation. He advised he plans to arrive Washington on the evening of November 13, and will also visit Mexico and Brazil.

15. (SBU) SBY commented that during the recent ASEM Summit, leaders appeared committed to making the Washington summit a success. He had stressed in his statement Indonesia's desire to coordinate efforts to stabilize and restore confidence in

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capital markets. In his view, efforts were moving well on this. He had also highlighted Indonesia's commitment to ensuring that the real economy continues to advance. This required avoiding protectionism, maintaining open markets and continuing to promote both regional and global trade and investment. Finally, he had noted in his statement that leaders will need to consider possible changes to the existing international financial architecture to help prevent recurrence of another financial crisis and to ensure that the architecture is fair to everyone.

16. (SBU) SBY briefed on his continued close cooperation with Bank Indonesia, government ministries and the private sector to take actions aimed at avoiding a crisis of confidence. He outlined a number of policy responses taken, including establishing a new Financial System Safety Net and increasing deposit insurance guarantees. The Indonesian government continued to monitor closely the policy responses of ASEAN and others.

MCC 2009 SCORECARD: "MOTIVATES ME TO DO MORE"

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17. (SBU) President Yudhoyono was pleased when the Ambassador delivered Indonesia's MCC 2009 Scorecard, particularly when Ambassador Hume pointed out the significant improvement in Indonesia's anti-corruption indicator. Five years ago, Indonesia ranked in the 11th percentile on control of corruption, but now had reached the 56th percentile. SBY said he wants a clean government and has been working hard to achieve it. The positive feedback the scorecard provided "motivates me to do more," he said. Ambassador Hume briefed SBY on the MCC process and advised him that Indonesia was on the MCC Board's short list for consideration as an MCC Compact eligible country when the Board meets in December. Pointing to Indonesia's strong performance on its scorecard, he voiced support for Indonesia to be named Compact eligible. SBY thanked Ambassador Hume for the briefing and also thanked him for his recent op-ed piece on Indonesia's response to the financial crisis and its continuing reform

efforts.

U.S. ELECTIONS: CONGRATULATIONS TO AMERICAN PEOPLE
AND LESSONS TO LEARN FROM AMERICAN DEMOCRACY

18. (SBU) President Yudhyono expressed congratulations to the American people and to President-elect Obama. He said he had made a public statement of congratulations to the Indonesian press immediately prior to the meeting. He had seen both candidates' speeches and believed President-elect Obama's speech would help to promote good relations and enhance bilateral cooperation. He also noted the President-elect's special relationship with Indonesia. Ambassador Hume thanked President Yudhyono for his expression of congratulations and commented that he felt lucky to be an American. The gracious speeches by both President-elect Obama and Senator McCain were good lessons on U.S. democracy. SBY agreed, noting that Senator McCain's speech had impressed him, as had Senator Clinton's support for candidate Obama after a hard-fought primary. SBY hoped the Indonesian people would learn lessons from America about how to unite following elections.

OPPORTUNITIES FOR ENVIRONMENTAL ENGAGEMENT

19. (SBU) Ambassador Hume also briefed SBY on various environment-related opportunities related to the May 2009 World Oceans Conference, hosted by Indonesia. Ambassador noted U.S. government support of \$32 million for the Coral Triangle Initiative (CTI), an initiative conceived by SBY. He advised that he was working to secure approval for NOAA's most modern research vessel, Okeanos Explorer, to make its maiden voyage to Indonesia at that time as a way to gain maximum public attention to this important initiative. He

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noted that the Smithsonian, several non-governmental organizations and NOAA were all interested in CTI and suggested that the Indonesian Embassy work with these groups to organize an event while SBY was in Washington. Ambassador Hume noted that it was good for Indonesia's leadership on the environment to be recognized. SBY then tasked Foreign Minister Wirayuda to instruct the Indonesian Embassy to synchronize an event at the Smithsonian with his schedule, which he noted would include a speech at USINDO on November 14.

10. (SBU) SBY said ASEM Summit participants in Beijing had discussed the environment and climate change. He felt that all leaders present were committed to making the Copenhagen Climate Change Conference succeed. Statements by Chinese and Indian leaders had been positive. Although many issues remained to be settled following adoption of the Bali Roadmap in December 2007, SBY expressed his hope that a post-2012 protocol could be reached. Focus needed to remain on mitigation, adaptation and on a financing structure, and "both developed and developing countries must do more," he said.

EXXONMOBIL: CONVEYING MESSAGE ON DESIRE FOR TALKS

11. (SBU) At ExxonMobil's request, Ambassador conveyed ExxonMobil's interest in talking to the government of Indonesia regarding difficulties the company was encountering in new production. The Ambassador noted that, as long-term partners, Indonesia and ExxonMobil had an opportunity to engage in a way which could increase investor confidence. SBY noted that Indonesia needs significant cooperation involving many partners in exploring and developing its South China Sea resources. (Note: ExxonMobil's continued operation of the Natuna Block D Alpha concession is currently in question. End note) He advised that he would task Minister of Energy and Mineral Resources Purnomo Yusgiantoro, who would accompany him on his upcoming travel to the U.S. and

Brazil, with contacting ExxonMobil's president.

HUME